



INDIANA
WORKFORCE
DEVELOPMENT

TO: Chief Elected Officials
WIB Chairs
WIB Directors
Fiscal Agents

FROM: Ronald L. Stiver *RLS*
Commissioner

THRU: Monty W. Combs, Deputy Commissioner
Finance/Controller *MWC*

DATE: May 31, 2005

SUBJECT: DWD Policy 2004-42
Grantee and Grantee Subrecipient Audit Requirements

PURPOSE: To identify the specific actions DWD requires from each of its grant recipients to ensure that they are meeting their audit and subrecipient audit oversight responsibilities as dictated by OMB Circular A-133 and Indiana Code 5-11-1-9.

RESCISSION: DWD Policy 2002-36
DWD Policy 2002-37
DWD Policy 2002-39

CONTENT:

Grantee Entity Annual Report (Form E-1) Responsibilities

All non-governmental organizations are required by Indiana Code 5-11-1-4 to file an Entity Annual Report (Form E-1) with the Indiana State Board of Accounts within thirty (30) days of the end of the Grantee's fiscal year.

The Indiana Department of Workforce Development requires that a copy of the Form E-1 be submitted to the Department's Oversight Division within thirty (30) days of the end of the Grantee's fiscal year. The grantee is also required to provide the Department's Oversight Division the Letter of Determination from the Indiana State Board of Accounts

Grantee Audit

All entities receiving Federal or State financial assistance as a pass through from the Indiana Department of Workforce Development are subject to the Federal audit

requirements of OMB Circular A-133 and/or the State audit requirements of Indiana Code 5-11-1-9.

All Indiana Department of Workforce Development grantees are required to submit a copy of their auditor's report to the Department's Oversight Division within the earlier of thirty (30) days after the receipt of the auditor's report, or nine (9) months after the end of the audit period.

If the auditor's report notes that other matters involving the internal control over financial reporting and its operation had been reported to management in a separate letter, a copy of that letter must accompany the auditor's report.

The Indiana State Board of Accounts may waive the State audit requirements of Indiana Code 5-11-1-9. If the audit requirements are waived, a copy of the documentation waiving the audit must be submitted to the Department's Oversight Division within thirty (30) days of receiving the waiver.

Grantee Subrecipient Audit Oversight

Grantees that make sub-awards utilizing the Indiana Department of Workforce Development funds are required to ensure that their subrecipients have satisfied the audit requirements of OMB Circular A-133 and Indiana Code 5-11-1-9.

All Indiana Department of Workforce Development grantees are required to submit a list of their subrecipients to the Department's Oversight Division within thirty (30) days of the end of their fiscal year.

The list must include the following information on each subrecipient:

- Name and address
- Audit period
- Total amount expended in Federal funds from all sources
- Total amount expended in funds from all other public fund sources
- Total amount of all expenditures
- Type of subrecipient (not-for-profit, for profit, School Corporation, etc.)

A Grant Recipient, as pass through entity, is required to obtain an audit on each of its subrecipients, perform appropriate audit resolution on each of its subrecipient audits, and notify the Oversight Division within thirty (30) days of completing the resolution on each of its subrecipient audits.

If no sub-awards were made, then the Department's Oversight Division must be notified in writing within thirty (30) days of the end of the Grantee's fiscal year that there were no sub-awards.

Submitting Documentation

Documentation may be submitted digitally by attaching it to an e-mail addressed to Driggle@dwd.state.in.us

Documentation may be submitted by fax at 317-233-6128. It should be directed to the attention of the Resolution Specialist in the Oversight Division.

Documentation may be submitted by regular mail addressed to:

Indiana Department of Workforce Development – Oversight Division
Indiana Government Center South
10 N. Senate Ave.
Indianapolis, IN 46204

Internet Links to Applicable Authorities.

- ◆ OMB Circular A-133
<http://www.whitehouse.gov/omb/circulars/a133/a133.html>
- ◆ Indiana Code 5-11-1
<http://www.in.gov/legislative/ic/code/title5/ar11/ch1.html>
- ◆ Indiana State Board of Accounts
“Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources”
<http://www.in.gov/sboa/publications/guidelines/entities/NFPmanual.pdf>

Subrecipient Tracking Form

http://www.in.gov/dwd/workforce_serv/os/audit/PY03.xls

Questions or Comments:

Any questions or comments may be directed to the Oversight Resolution Specialist at 317-233-6082 or Driggle@dwd.state.in.us

EFFECTIVE DATE: Immediately

REVIEW DATE: March 31, 2007

ENDING DATE: May 31, 2007

ACTION: Grant Recipients should comply with the direction/action as outlined in this communication and share this communication with relevant staff person.

OWNERSHIP: Oversight Division